G.R.S. IX—5]

Previous references. 1923-24 **File No.** 38-23

37-87-20 (1-5) (Pt. 7)

Serial Nos.

Later references.

Preserved

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. 2

Part B for November 1923

SUBJECT

Amendment of the Imperial Bank of India Act 1920 to admit of acceptance of Weyaon Gwer Securities as primary security for loans advanced by the Imperial Bank.

P-22-23

Q Bank of Imperial

GENERAL AND REVENUE SECRETARIAT.

(97)

NOTES.

W.D. 6023

File No. 38-23

FILE HEADING.

Revision of the Imperial Bank of India Act in connection with the negotiability of Mysore securities

From

No.	Dated	Received

Diary No.	Enclos.	Spare Copies.	Serial No.

BRIEF ABSTRACT OF LETTER.

NOTES AND ORDERS.

1/15

NOTES—First Sheet.

205

URGENT. G.7.38-23

REPLY.

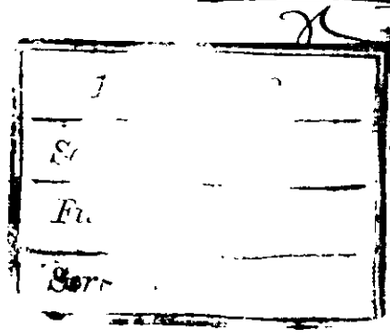
(To be written on this margin.)

Office of the Dewan of Mysore. 1(a)

NOTE.

Dated 14th July ..... *192* 3.

DIARY No. 202



The papers regarding the revision of the Bank Act in connection with the negotiability of Mysore Securities, may be kindly put up for the Dewan's perusal.

By order,

Private Secretary to the Dewan.

The Financial Secretary to Govt.,
with compliments.

2) Mr Rangachar.
Vengaraly
16.7.23

1) The printed collection of the original file are put up.
2 copies
Mrs. 7c Sing) 2(a) 4) 16/7/23
Dewan) 5) 16/7/23
m n k.

DEWAN'S OFFICE.
Recd. on JUL 16 1923
Reg. No. 414

Private secretary to Dewan,
please include these papers and put up
extracts for Simla Deputation ARB
17/7.

Put up

1 4.738-40 v

Notes of discussion with Sir Basil Blackett, K.C.B., the Finance Member, on 1st August 1923. (Messrs Mc.Watters, Financial Secretary to the Government of India, Barton and M.N.Krishna Rao were also present.)

---

7) Recognition of our securities.- The third subject discussed was the question of the recognition of our securities under the Imperial Bank of India Act. I said that I had once before represented personally at Simla to the Finance Department of the Government of India the need for this recognition and that that Department was agreeable to the proposal but considered that practical action could not be taken until the Act came under amendment. Subsequently, however, the matter was referred to the Managing Governors of the Bank, at the instance of the Government of India, but they were not inclined to take the initiative in suggesting an amendment of the Act for inclusion of our securities in the list of those in which the Bank is authorised to deal. I stated that the non-recognition was a great handicap on our loan operations and that the result was that we were forced to offer better terms for loans than the Government of India and the Provincial Governments. I added that it was not reasonable to deny to the Government of Mysore the facilities for borrowing for developmental purposes allowed to all Local Governments and even the Government of Ceylon and that when the Bank was authorised to accept as cover even Railway and District Board securities, it was not fair to refuse the same consideration to the Securities of the Mysore Government and that the question had also to be considered in relation to the securities of other Indian States.

Mr. Mc.Watters stated that there might be some difficulty in allowing recognition only to the securities of the Mysore Government

8) It was urged that the general conditions to be complied with for securing recognition might be laid down by the Government of India and that whichever Indian States complied with the conditions, might be allowed recognition for their securities and that the Government of Mysore did not ask for any privilege exclusively to themselves. Sir Basil Blackett stated that some recent discussions relating to the business of the

Y. 7. 38-23. (3)

Imperial Bank (he was referring here to the recent debate in the Legislative Assembly in regard to the Alliance Bank affairs) had indicated the need for a revision of the Act and that it might be taken up for amendment earlier than was thought possible. He added that the amendments now in contemplation were with different objects, and that no general revision was proposed but that he was prepared to consider the request of the Mysore Government if they made a further representation on the subject.

4

G7 File No. 38 of 19 23

Returned to Financial Secretary for further action

A.R.B.
9.8.23

D.O.No 414

(10) Draft put up.

m.n.K.
25.8.23.

Dewan)

(11) Is it not desirable to refer to the letter of the governors of the Bank.

A.R.B.
26.8.23

(12) I do not think it is necessary to refer to the letter. It only communicates their refusal to take the initiative. It is the govt of India that have to move in the matter and they will of course consult the Bank authorities.

Dewan) m.n.K.
27.8.23

13. Please see how the revised draft will do; If so, D.S.N may be put up also

A.R.B.
28.8.23

14 I think the revised draft will do very well. I have put up a D.S.N.

Dewan) m.n.K
28.8.23

15) May issue

A.R.B.
29.8.23.

In Italics

To the Hon'ble The Resident.

D.O.No. 19. Dated 29.8.23.

Requests that the representation of the Mysore Govt for securing recognition to Mysore Govt. securities under the Imperial Bank of India Act may be placed before the Govt of India with his support

REPLY.

o be written on this margin.)

35 - 2-3

2

Office of the Dewan of Mysore.

NOTE.

Dated ..... 192 .

9 Aug

Hsen

for write

action

Done 4/9/24

7+14

(a) Draft letter

Mysore

Dewan) 25/9/23

(b) Put up draft letter

to the Collector

of the Bangalore

4

(c) I do not think it necessary to refer to this letter. It only communicates their refusal to take the initiative. It is the Govt. business that have to

G.F. 38-23

Move in the matter and they will of course consult the Bank authorities.

Mull
27-8-23

Dewan)

(3) Please see how the revised draft will do.
do. H
28.8.

(2) Who says the petition
do H
1814

(4) I think the revised draft will do very well. I have put up a D.O.N. and Stamps

Mull
28/8/23

(5) Dewan
H
29.8.

D.O. No. R. 18 dt 29/8/23 has been issued from the Dewan's office & copy placed in the file.
DD
29/8

HMC Lees

Y. 7. 38 – 23

DEWAN OF MYSORE

PUBLIC OFFICES,
BANGALORE.

29th August 19.3.

Dear Mr. Barton,

(6) You may remember that at the interview I had with the Hon'ble Sir Basil Blackett on the 1st instant, I mentioned the question of the recognition of our securities under the Imperial Bank of India Act and that he was disposed to re-consider the proposal if the representation was renewed.

(7) It is part of the policy of the financial side of the reforms that the Local Governments in British India should have powers of borrowing for re-productive capital expenditure and the securities of the loans floated in pursuance of this policy have accordingly been included in the list of those in which the Imperial Bank of India is authorized to deal. The Government of Mysore have been borrowing for their capital and productive works but the exclusion of the securities of the State from the list of those recognized in the Act has proved a great handicap on the loan operations of the State and the result is that the Government of Mysore are forced to offer better terms for their loans than the Local Governments. In the interests 7(a)

(8) another result of the ban against the securities of the State placed by the Act is that it naturally lowers them in the estimation of the investing public and when the Imperial Bank of India which is the Central and the Bankers' Bank in India is prohibited from dealing in these securities, the result is that Banks and Brokers are also unwilling to handle them and the non-recognition is therefore, a positive obstacle in the way of their marketability, with all the attendant disadvantages to the Government of Mysore and to the holders of their securities.

(9) Then, under the Act, the Imperial Bank is entitled to invest its funds even in securities of the Government of Ceylon, of State aided railways and of Indian Municipalities in which, it is also authorized to accept trust deeds for the purposes of mortgage loans, even fully paid shares in Companies and debentures of companies

with limited liability, it is reasonable to urge that the Ygore Government securities should not be placed in an inferior position by statute.

5. (10) The securities of the Government of India and of all Local Governments are accepted for all purposes including the investment of trust funds within Ygore and reciprocity would, therefore, require the extension of the same consideration to the securities of the Ygore Government in British India.

6. (11) May I invite attention in this connection to the first Assistant Resident's letter No. 01.057 dated 11th December 1941 communicating the orders of the Government of India that the request of the Ygore Government for the inclusion of their securities in the Imperial and of India Act would be taken into consideration when the Act next comes under amendment. I understand that there is now a near prospect of the Act being taken up for revision, if so His Highness' Government will be grateful if the necessary provision is made in the amending Act for removing the liability to which their securities are now subjected and for treating them in the same way as those of the local Governments. If the Local Governments are required to conform to any financial conditions for the recognition of their securities under the Act, the Government of Ygore will be quite willing to comply with the same conditions. If, on the other hand, there are considerations which stand in the way of giving Ygore securities alone the recognition now asked for, any other enabling clause of a general character which will secure the same object may be embodied in the amending Act.

12) I shall be grateful if you will kindly lend this representation before the Government of India in your support.

Yours sincerely,

(Signed) A.R. Banerji,

Resident

Rajputana.

In Italics.

D.O. No R. 18 dated 29. 8 23 from the Dewan of Mysore, to the Hon'ble The British Resident in Mysore Bangalore.

G. F. 38-23

Submitted to His Highness.

23) We have long been requesting the Government of India to include our securities in the list of those in which the Imperial Bank of India is authorised to deal. At first, the Government of India showed a disposition to comply with our request when the Act next came under amendment, but subsequently they referred us to the Managing Governors of the Bank who declined to take the initiative in the matter.

24) 2. This is a very important matter and until the Imperial Bank of India freely handles our securities, there will be no wide market for them, nor can our public borrowings be on as favourable terms as those secured by the Government of India and Local Governments. In view of these considerations, I thought it well to discuss this subject also with the Finance Member of the Government of India during my recent visit to Simla and it will be seen from m, Simla notes already submitted to His Highness that Sir Basil Blackett showed a disposition to reconsider the proposal if the representation was renewed. He stated that there was an early prospect of the Imperial Bank of India Act being taken up for revision and that our request would be considered in connection with the amending Bill.

25) 3. It is accordingly proposed to make a further representation on the subject. The circumstances in which we ask for our securities to be recognised by the Imperial Bank of India Act are fully explained in the letter. I, however, fear that there are difficulties in the way of the Government of India in specifically mentioning our securities in the Act. It is possible that the recognition, if given only to our securities, might be viewed by other Indian States as a reflection on their securities and the Government of India may not, for good reasons, be prepared to accord the treatment, which we ask for our securities, to the securities of all the Indian States. In view of these considerations, I have suggested as an alternative that, if the direct recognition of our securities in the Act is not possible, the Government of India may provide for an enablin clause in the amending

Act and that they may authorise the acceptance of our securities by the Imperial Bank of India, in the exercise of the power thus taken.

26) 4. As the amendment of the Act may be taken up early, the representation for reconsideration of the matter has been sent to the Residency and I request His Highness' gracious approval of the action taken.

Dated Bangalore,
29th August 1923.

RD

STATEMENT OF CASES SUBMITTED FOR THE ORDERS OF HIS HIGHNESS THE MAHARAJA DURING THE TOUR OUTSIDE THE STATE IN August 1923.

Serial No.	Subject	Recommendation of Council, or Member of Government in charge, as the case may be	Dewan's recommendation	Orders of His Highness	Orders regarding submission of files (*vide* foot-note)
405	Further representation on the subject of recognition of - Mysore Government securities - under the Imperial Bank of India Act.			189 27, approved by His H. Dm 18.9.23	

28) Finance Secy

29) Mutt 20-9-23

30) Secy

202 4.7.38—25

NOTE.—The letter a, b or c may kindly be inserted by the Private Secretary to His Highness in the last column to indicate whether –

File may be submitted at once ... ... a
File may be submitted after His Highness' return ... ... b
File may not be submitted at all c

WD 2272—GPB —500—5-3-20

Pol 577

R. O. 2.—R. P. B.—8-1923.—5,000.

No. 9069 Enclos. *Dated Bangalore,* 8th November *192* 3.
135-1920.

1651

From

A.N.L. Cater, Esq., I.C.S.,
SECRETARY TO THE RESIDENT IN MYSORE.

GEN. & REV. SECTT. Br... 0 NOV 1923

To

The Chief Secretary to the Government of
His Highness the Maharaja of Mysore.

Subject:—

AMENDMENT OF THE IMPERIAL BANK OF INDIA ACT, 1920 - MYSORE GOVERNMENT SECURITIES.

Sir

I am directed to refer to Mr. Banerji's demi-official letter No. R-18, dated the 29th August 1923, (which has been treated as an official letter) regarding the recognition of the Mysore Government Securities under the Imperial Bank of India Act, 1920. The Government of India state that the matter will be kept in mind but that at present they are not prepared to undertake legislation of the kind required.

I have the honour to be,
Sir,
Your most obedient servant,

SECRETARY TO THE RESIDENT.

Pol 577

R. O. 2.—R. P. B.—8-1923.—5,000.

No. 9069 ENCLOS. *Dated Bangalore,* 8th November 1923.
135-1920.

1651

FROM

A.N.L. Cater, Esq., I.C.S.,
SECRETARY TO THE RESIDENT IN MYSORE.

POL. & REV. SECRET.
Br ...
10 NOV 1923

To

The Chief Secretary to the Government of
His Highness the Maharaja of Mysore.

Subject:—

AMENDMENT OF THE IMPERIAL BANK OF INDIA ACT, 1920 - MYSORE GOVERNMENT SECURITIES.

SIR

I am directed to refer to Mr. Banerji's demi-official letter No. R-18, dated the 29th August 1923, (which has been treated as an official letter) regarding the recognition of the Mysore Government Securities under the Imperial Bank of India Act, 1920. The Government of India state that the matter will be kept in mind but that at present they are not prepared to undertake legislation of the kind required.

I have the honour to be,
Sir,
Your most obedient servant,

SECRETARY TO THE RESIDENT.

G. R. S. III-21

General and Revenue Secretariat.

G 7 File No. 38 of 19 23

Serial No.

P.U.D.

N

Residency letter dated 8th November 1923 re. Amendment of the Imperial Bank of India Act, 1920.

2) The Government of India have again refused to comply with our request in regard to the recognition of our securities under the Imperial Bank of India Act. As in the case of the subsidy payment, we should not have approached them again now, had not hopes been held out. The Government of India no doubt say that they will keep the matter in mind. This is of no use to us. It seems to me simply a euphemistic way of conveying the refusal as this statement is followed up by the remark that they "are not prepared to undertake legislation of the kind required." The Government of India do not seem to realise the harm that they do us in penalising our bonds in the Money & Securities markets of India. If they had not specified particular securities in the Imperial Bank of India Act, the case would have been different. To specify some and to leave out others which are in no way inferior is to deliberately undervalue the latter. This is unfair to Mysore and the attitude of the Government of India cannot be defended. We cannot allow the matter to rest here. It is impossible to contest the reasonableness of our claim. We have only to wait for a more suitable opportunity to press our demand. I think this is one of the typical cases in which the

heet.

unsympathetic

Serial No.

unsympathetic attitude of the Government of India can be proved to the hilt. Here we are, ready to conform to any conditions which they may prescribe for granting our request. But they do not consider our proposal at all and simply throw it out. If Indian-States India should progress along with British-India India, this policy of the Government of India is unmaintainable. I put up a D.S.M. for reporting the matter to His Highness.

D E W A N.)

10-11-23

33) DSM revised

34) with ref (my) d/4 dated 7th inst.
— I beg to submit report
of the duty India owed
to the Ruler. The demand—
both is unreasonable.
We shall have
when the matter
then we should apply
the brief.

35

NOTE—Contn. sheet.

Q-4 38-23

Submitted to His Highness.

Paragraphs of office notes

W

36) With reference to my Submission Note dated the 29th August 1923, I beg to submit, for His Highness' information, the reply of the Government of India received on the subject. It does not help us immediately and we shall have to press the matter again when a suitable opportunity offers itself.

Bangalore,
11th November 1923.

1 - NOV 1923

14

SGN.

451 S. 28-23 12

Record of Cases submitted for the Orders of His Highness the Maharaja

Subject.

232
11-11-23

Reply of the Government of India on the subject of the recognition of the Mysore securities under the Imperial Bank of India Act.

353

37) *Order.*

~~KRW~~ 13/11/23

38 14/11/23.

39 Financial Secretary with compliments
14/11

40) Gwalior 14-11-23

41 Please arrange ten [illegible]
14/11

Previous Reference. FILE No. 38 of 1923.

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE.

PROCEEDINGS OF THE GENERAL AND REVENUE DEPARTMENTS.

(GENERAL FINANCE).

"A" Collection. **Serial Nos.**

Amendment of the Imperial Bank of India Act 1920 to admit of acceptance of Mysore Government Securities as primary security for loans advanced by the Imperial Bank.

PART II.

TABLE OF CONTENTS.

Serial No.	Number and date of letter and contents	Reference	Page in A Proceedings
(1)	D. O. No. R. 18, dated 29th August 1923, from the Dewan of Mysore, to the Hon'ble the British Resident in Mysore, Bangalore. Requests that the representation of the Mysore Government for securing recognition to Mysore Government securities under the Imperial Bank of India Act may be placed before the Government of India with his support for reconsideration.		
(2)	Letter No. 9069—135-1920, dated 8th November 1923, from the etary to the Resident in Mysore, to the Chief Secretary to the Government of Mysore. States that the matter regarding the recognition of the Mysore Government securities under the Imperial Bank of India Act, 1920, will be kept in mind but that at present the Government of India are not prepared to undertake legislation of the kind required.		

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1923-24.

GENERAL AND REVENUE SECRETARIAT.

(*GENERAL FINANCE.*)

NOTES.

Revision of the Imperial Bank of India Act in connection with the negotiability of Mysore securities.

The papers regarding the revision of the Bank Act in connection with the negotiability of Mysore securities, may be kindly put up for the Dewan's perusal.

K. V. A.
14-7-23.

The printed collection and the original file are put up.

M. N. K.
16-7-23.

Please include these papers and put up extracts for Simla Deputation.
Private Secretary to Dewan,

A. R. B.
17-7-23.

(Notes of discussion with Sir Basil Blackett, K. C. B., the Finance Member, on 1st August 1923. Messrs. McWatters, Financial Secretary to the Government of India, Barton and M. N. Krishna Rao were also present.)

The third subject discussed was the question of the recognition of our securities under the Imperial Bank of India Act. I said that I had once before represented personally at Simla to the Finance Department of the Government of India the need for this recognition and that the Department was agreeable to the proposal but considered that practical action could not be taken until the Act came under amendment. Subsequently, however, the matter was referred to the Managing Governors of the Bank, at the instance of the Government of India, but they were not inclined to take the initiative in suggesting an amendment of the Act for inclusion of our securities in the list of those in which the Bank is authorised to deal. I stated that the non-recognition was a great handicap on our loan operations and that the result was that we were forced to offer better terms for loans than the Government of India and the Provincial Governments. I added that it was not reasonable to deny to the Government of Mysore, the facilities for borrowing for developmental purposes allowed to all Local Governments and even the Government of Ceylon and that when the Bank was authorised to accept as cover even Railway and District Board securities, it was not fair to refuse the same consideration to the securities of the Mysore Government. Mr. McWatters stated that there might be some difficulty in allowing recognition only to the securities of the Mysore Government and that the question had also to be considered in relation to the securities of other Indian States.

It was urged that the general conditions to be complied with for securing recognition might be laid down by the Government of India and that whichever Indian States complied with the conditions, might be allowed recognition for their securities and that the Government of Mysore did not ask for any privilege exclusively to themselves. Sir Basil Blackett stated that some recent discussions relating to the business of the Imperial Bank (he was referring here to the recent debate in the Legislative Assembly in regard to the Alliance Bank affairs) had indicated the need for a revision of the Act and that it might be taken up for amendment earlier than was thought possible. He added that the amendments now in contemplation were with different objects, and that no general revision was proposed but that he was prepared to consider the request of the Mysore Government if they made a further representation on the subject.

Returned to Financial Secretary for further action.

A. R. B.
9 8-23.

Draft put up.

M. N. K.
25-8-23.

Is it not desirable to refer to the letter of the Governors of the Bank.

A. R. B.
26-8 23.

I do not think it is necessary to refer to this letter. It only communicates their refusal to take the initiative. It is the Government of India that have to move in the matter and they will of course consult the Bank authorities.

M. N. K.
27-8-23.

Please see whether the revised draft will do. If so, D. S. N. may be put up also.

A. R. B.
28-8-23.

I think the revised draft will do very well. I have put up a D. S. N.

M. N. K.
28-8-23.

May issue.

A. R. B.
29-8-23.

D. O. No. R. 18, dated 29th August 1923, from the Dewan of Mysore, to the Hon'ble the British Resident in Mysore, Bangalore.

You may remember that at the interview I had with the Hon'ble Sir Basil Blackett on the 1st instant, I mentioned the question of the recognition of our securities under the Imperial Bank of India Act and that he was disposed to reconsider the proposal if the representation was renewed.

It is part of the policy of the financial side of the Reforms that the Local Governments in British India should have powers of borrowing for re-productive capital expenditure and the securities of the loans floated in persuance of this policy have accordingly been included in the list of those in which the Imperial Bank of India is authorized to deal. The Government of Mysore have been borrowing for their capital and productive works but the exclusion of the securities of the State from the list of those recognized in the Act has proved a great handicap on the loan operations of the State and the result is that the Government of Mysore are forced to offer better terms for their loans than the Local Governments.

Another result of the bank against the securities of the State placed by the Act is that it naturally lowers them in the estimation of the investing public and when the Imperial Bank of India which is the Central and the Bankers' Bank in India is prohibited from dealing in these securities, the result is that banks and brokers are also unwilling to handle them and the non-recognition is therefore, a positive obstacle in the way of their marketability, with all the attendant disadvantages to the Government of Mysore and to the holders of their securities.

When, under the Act, the Imperial Bank is permitted to invest its funds even in securities of the Government of Ceylon, of State-aided railways and of District Boards in British India and when it is also authorized to accept as primary cover for the purposes of making loans even fully paid-up shares and debentures of companies with limited liability, it is reasonable to urge that the Mysore Government securities should not be placed in an inferior position by Statute.

The securities of the Government of India and of all Local Governments are accepted for all purposes including the investment of Trust Funds within Mysore and reciprocity would, therefore, require the extension of the same consideration to the securities of the Mysore Government in British India.

I may invite attention in this connection to the First Assistant Resident's letter No. Pol. 957, dated 11th March 1921, communicating the orders of the Government of India that the request of the Mysore Government for the inclusion of their securities in the Imperial Bank of India Act would be taken into consideration when the Act next comes under amendment. As I understand that there is now a near

prospect of the Act being taken up for revision, His Highness' Government will be grateful if the necessary provision is made in the amending Act for removing the disability to which their securities are now subjected and for treating them in the same way as those of the Local Governments. If the Local Governments are required to conform to any financial conditions for the recognition of their securities under the Act, the Government of Mysore will be quite willing to comply with the same conditions. If, on the other hand, there are considerations which stand in the way of giving Mysore securities alone the recognition now asked for, any other enabling clause of a general character which will secure the same object may be embodied in the amending Act.

I shall be greatly obliged if you will kindly place this representation before the Government of India with your support.

Submitted to His Highness.

We have long been requesting the Government of India to include our securities in the list of those in which the Imperial Bank of India is authorised to deal. At first, the Government of India showed a disposition to comply with our request when the Act next came under amendment, but subsequently they referred us to the Managing Governors of the Bank who declined to take the initiative in the matter.

This is a very important matter and until the Imperial Bank of India freely handles our securities, there will be no wide market for them, nor can our public borrowings be on as favourable terms as those secured by the Government of India and Local Governments. In view of these considerations, I thought it well to discuss this subject also with the Finance Member of the Government of India during my recent visit to Simla and it will be seen from my Simla notes already submitted to His Highness that Sir Basil Blackett showed a disposition to reconsider the proposal if the representation was renewed. He stated that there was an early prospect of the Imperial Bank of India Act being taken up for revision and that our request would be considered in connection with the amending Bill.

It is accordingly proposed to make a further representation on the subject. The circumstances in which we ask for our securities to be recognised by the Imperial Bank of India Act are fully explained in the letter. I, however, fear that there are difficulties in the way of Government of India in specially mentioning our securities in the Act. It is possible that the recognition, if given only to our securities, might be viewed by other Indian States as a reflection on their securities and the Government of India may not, for good reasons, be prepared to accord the treatment, which we ask for our securities, to the securites of all the Indian States. In view of these considerations, I have suggested as an alternative that, if the direct recognition of our securities in the Act is not possible, the Government of India may provide for an enabling clause in the amending Act and that they may authorise the acceptance of our securities by the Imperial Bank of India in the exercise of the power thus taken.

As the amendment of the Act may be taken up early, the representation for reconsideration of the matter has been sent to the Residency and I request His Highness' gracious approval of the action taken.

A. R. BANERJI,
29-8-23.

Approved by His Highness.

M. I.
18-9-23.

Letter No. 9069—135-1920, dated 8th November 1923, from the Secretary to the Resident in Mysore, to the Chief Secretary to the Government of Mysore.

Subject:—

MYSORE GOVERNMENT SECURITIES AMENDMENT OF THE IMPERIAL BANK OF INDIA ACT 1920.

I am directed to refer to Mr. Banerji's demi-official letter No. R. 18, dated the 29th August 1923, (which has been treated as an official letter) regarding the recognition of the Mysore Government securities under the Imperial Bank of India Act, 1920. The Government of India state that the matter will be kept in mind, but that at present they are not prepared to undertake legislation of the kind required.

The Government of India have again refused to comply with our request in regard to the recognition of our securities under the Imperial Bank of India Act. As in the case of the subsidy payment, we should not have approached them again now, had not hopes been held out. The Government of India no doubt say that they will keep the matter in mind. But this is of no use to us. It seems to me to be simply a euphemistic way of conveying the refusal as this statement is followed up by the remark that they "are not prepared to undertake legislation of the kind required". The Government of India do not seem to realise the harm that they do us in penalising our bonds in the Money and Securities markets of India. If they had not specified particular securities in the Imperial Bank of India Act, the case would have been different. To specify some and to leave out others, which are in no way inferior, is to deliberately undervalue the latter. This is unfair to Mysore and the attitude of the Government of India cannot be defended. We cannot allow the matter to rest here. It is impossible to contest the reasonableness of our claim. We have only to wait for a more suitable opportunity to press our demand. I think this is one of the typical cases in which the unsympathetic attitude of the Government of India can be proved to the hilt. Here we are ready to conform to any conditions which they may prescribe for granting our request. But they do not consider our proposal at all and simply throw it out. If Indian States-India, should progress along with British-Indian India, this policy of the Government of India is unmaintainable. I put up a D. S. N. for reporting the matter to His Highness.

M. N. K.
10-11-23

D. S. N. revised.

A. R. B.
11-11-23.

Submitted to His Highness.

With reference to my Submission Note dated the 29th August 1923, I beg to submit, for His Highness' information, the reply of the Government of India received on the subject. It does not help us immediately and we shall have to press the matter again when a suitable opportunity offers itself.

A. R. BANERJI,
11-11-23

Order
K. R. W.
13-11-23

WD 1023--GPB—24—8-2-24